GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:4314
ANSWERED ON:21.08.2000
LOSSES BY HOTEL CORPORATION OF INDIA
CHHATRAPAL SINGH

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the hotels functioning under Hotel Corporation of India are suffering losses;

(b) if so, the reasons therefor;

(c) the total losses suffered by these hotels during the last three years;

(d) whether there are any plans to sell these hotels;

(e) if so, the reasons therefor; and

(f) the steps taken by the Government to make them profit earning?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV)

(a) and (b) : Out of four Hotel Units under the Hotel Corporation of India, two Units are suffering losses due to following reasons:-

(i) the Centaur Delhi had not been renovated since its inception which resulted in continuous deterioration;
(ii) the above factor has led to decline in hotel occupancy and thereby reduction in revenue earnings;
(iii) The Centaur Srinagar has been incurring losses since inception except in 1987-88, due to political disturbances in the Valley from 1988.

(c): Details of losses are as under :

(Rs. in crores)

Year	Centaur Hotel Delhi Airport	Centaur Lake View Hotel Srinagar.
1997-98	0.61	2.51+
1998-99	3.87	1.37+
1999-2000(prov)	6.86	1.64+

+ Before waiver of interest

(d) and (e) : The Government has decided to disinvest HCI, a wholly owned subsidiary of Air India and the revenuethus realized would acrrue to Air India which is suffering from losses since 1995-96.

(f): The steps being taken to turn the loss making units into profitable, include the renovation of 100 rooms in Centaur Delhi; intensive sales compaign covering corporate houses; launching of Millennium offer; introduction of Centaur Gold Card, etc.